Expenses Scheme. The new scheme,provides opportunities for higher incentive bonus through productivity-oriented performance.

(b) Market share of LIC has come down due to the opening up of insurance sector.

(c) No, Sir.

(d) Does not arise.

FDI in Public Sector Banks

†2254. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are prepared to permit Foreign Direct Investment in the Public Sector Banks;

(b) if so, names of those banks which are ready to accept such investment; and

(c) the names of such banks of the public sector which would be clubbed together for purpose of the said investment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) FDI and Protfolio Investment in nationalised banks are subject to statutory limit of 20 per cent as provided under Section 3 (2D) of the Banking Companies (Acquisition & Transfer of Undertakings) Acts 1970/80. The 20 per cent ceiling would also apply to investments in State Bank of India and its associate banks. There is no change in the existing stipulated statutory limit of FDI Investment in case of public sector banks. However, the FDI limit has been enhanced in case of private sector banks from existing 49% to 74% by a Government Notification issued on 5th March, 2004. This enhancement will be done in a phased manner as per the guidelines issued by Reserve Bank of India on 28th February, 2005.

†Original notice of the question was received in Hindi.